

## Message Text

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ACTION CPR-01

INFO OCT-01 EA-12 ISO-00 L-03 JUSE-00 OPR-02 A-01  
TRSE-00 SSO-00 /020 W  
-----109181 060432Z /17  
O 060354Z SEP 77  
FM USLO PEKING  
TO SECSTATE WASHDC IMMEDIATE 8615

UNCLAS PEKING 1961

FOR PROTOCOL AND EA/PRCM AND EA/EX

E.O. 11652: N/A  
TAGS: PDIP  
SUBJ: HOST COUNTRY REQUIREMENTS FOR AUTOMOBILE LIABILITY

REF: STATE 189095

1. USLO'S REPLY TO REFTEL FOLLOWS:

(A) THERE IS NO MANDATORY LIABILITY INSURANCE LAW FOR  
AUTOMOBILES REGISTERED IN CHINA.

(B) N/A.

(C) THERE IS NO SPECIFIC REQUIREMENTS BY LAW OR REGULATION  
THAT FOREIGN DIPLOMATIC MISSION VEHICLES AND VEHICLES OF  
DIPLOMATS BE INSURED.

(D) ALL MEMBERS OF THE LIAISON OFFICE CARRY LIABILITY  
INSURANCE ON PERSONALLY OWNED VEHICLES. THIRD PARTY  
INSURANCE WITH LIMITED LIABILITY OF YUAN 100,000 (US  
EQUIVALENT \$54,348.00) IS CARRIED BUT THE INSURED IS  
RESPONSIBLE FOR THE FIRST YUAN 1,000 (US \$543.00) IN  
RESPECT OF ANY CALIM OR SERIES OF CLAIMS ARISING OUT  
OF ONE EVENT. THE ANNUAL PREMIUM IS YUAN 150 (US  
\$81.52). ENFORCEMENT IS BY POST ADMINISTRATIVE  
NOTICE ISSUED TO ALL NEWLY ARRIVED PERSONNEL WHICH  
STATES , "PERSONNEL ARE NOT PERMITTED TO DRIVE THEIR  
OWN VEHICLE OR THE PERSONAL VEHICLE OF ANYONE ELSE  
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UNLESS THEY OR THE OWNER OF THE OTHER VEHICLE ARE  
COVERED BY THIRD PARTY INSURANCE. THIS INSURANCE  
MUST BE PURCHASED THROUGH THE MING AN INSURANCE COMPANY  
OF HONG KONG. ALL PERSONNEL SHALL HAVE AT LEAST  
YUAN 100,000 IN THIRD PARTY INSURANCE." EMPLOYEES  
OBTAIN INSURANCE AT TIME OF REQUESTING REGISTRATION  
OF AUTO BY USLO GENERAL SERVICES OFFICE.

(E) PRC OFFICIALS INDICATED THAT PLAINTIFFS CAN SUE THE INSURANCE COMPANY DIRECTLY. HOWEVER, OFFICIALS ALSO STATED THAT THIS REPLY IS ONLY THEORETICAL; SUCH AN INSTANCE HAS NEVER OCCURRED AND PERHAPS WILL NOT OCCUR UNDER THE CHINESE SYSTEM OF TRAFFIC ACCIDENT ADJUDICATION.

(F) SEE REPLY (E).

(G) THE PUBLIC SECURITY BUREAU (I.E. THE TRAFFIC AUTHORITIES) IS ALSO THE ADJUDICATING ENTITY. TRAFFIC OFFICIALS INVESTIGATE THE ACCIDENT, HOLD HEARINGS, MEDIATE BETWEEN THE TWO PARTIES, AND DETERMINE WHICH PARTY IS AT FAULT. SIMULTANEOUSLY THE BUREAU IMPOSES THE SETTLEMENT AMOUNT AGAINST THE PARTY AT FAULT, AND INSURANCE COMPANY IS REQUIRED TO MAKE PAYMENT. AUTHORITIES HERE STATE THAT ALL ACCIDENTS, BAR NONE, HAVE BEEN SETTLED THROUGH CONSULTATIONS. IF A PERSON HAVING DIPLOMATIC STATUS SHOULD TAKE A CASE TO COURT DIRECTLY, THE IMPLICATION TO THE PRC WOULD BE THE RENUNCIATION OF JUDICIAL IMMUNITY ENJOYED BY THE PERSON CONCERNED. PRC OFFICIALS WERE UNABLE TO ENVISION A CASE BEING TAKEN INTO COURT. THEY INDICATED THAT THE THRUST OF THIS QUESTIONNAIRE SEEMED DIRECTED MORE TO THE WESTERN WORLD THAN THE CHINESE INSURANCE AND TRAFFIC CONTROL SYSTEM.

(H) DIPLOMATIC PERSONNEL ARE COUNSELED TO CONTACT  
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THE MING AN INSURANCE COMPANY, LTD., C/O BANK OF CHINA, BUILDING 2A, DES VOEUX ROAD CENTRAL, HONG KONG.

(I) QUESTION IS INAPPLICABLE TO CHINA. THERE ARE NO PRIVATELY-OWNED VEHICLES. ALL ARE STATE-OWNED OR ARE CONSIDERED AS COLLECTIVELY OWNED UNITS.

(J) SAMPLE OF INSURANCE CONTRACT WRITTEN ON DIPLOMAT BEING POUCHED.

(K) TO REITERATE, QUESTION OF WAIVER DOES NOT EXIST AS A FACT OF LIFE. ALL ACCIDENTS, EITHER BETWEEN CHINESE AND CHINESE, CHINESE AND DIPLOMAT, OR DIPLOMAT AND DIPLOMAT ARE SETTLED THROUGH COMPULSARY CONSULTATION AND ARBITRATION.

(L) UNDER PRC SYSTEM OF ARBITRATION, THIS QUESTION HAS LITTLE RELEVANCY.

(M) THE PREVAILING SYSTEM SEEMS TO WORK WELL AND THE CHINESE AUTHORITIES INDICATE THAT THEY CONSIDER IT TO BE A VERY FAIR METHOD. THEY STATE THAT THEY HAVE HAD VERY FEW PROBLEMS WITH IT.

(N) THE HOSPITALIZATION AND THE PROPERTY DAMAGE HAVE TO BE BORNE BY PERSONS JUDGED RESPONSIBLE FOR THE INJURY AND DAMAGE. THE EFFECT ON THE INJURED PARTY'S LONG-RANGE INCOME WILL BE DETERMINED THROUGH

CONSULTATION AND THE PERSON (I.E. THE DIPLOMAT)  
CAUSING INJURY WILL BE REQUIRED TO COMPENSATE THE  
INJURED PARTY. THE HOST GOVERNMENT HOWEVER COULD  
ALSO ASSIST, FOR EXAMPLE, BY PERMITTING A HIGHER  
RETIREMENT BENEFIT PAYMENT DUE TO DISABILITY CAUSED  
BY THE ACCIDENT, OR BY PERMITTING THE PERSON TO RETIRE  
EARLIER, OR ASSIGNING HIM A LESS STRENUOUS JOB.

2. POST REGRETS DELAY IN REPLY, BUT MISSION WAS WAITING FOR PRC  
AUTHORITIES ANSWERS TO SERIES OF QUESTIONS.  
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## Message Attributes

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**Channel Indicators:** n/a  
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